G. R. S. 58]

Previous references.

L.B. 9-06 (6-16)
Mem. 164-07-1
L.B. 25-10 (6-8)
" 33-09 (1-5)
" (2-4)
" (5-7)
" (8-9)

Later references.

L.B. 48-11 (1-8

G.F. 139.26.122

1910.

(Local Boards)

File No. 130-10

Serial Nos. 1-4.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1-4.

Part B for June, 1911.

SUBJECT.

Interest on deficit balance against the District Board of Kadur.

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1. From the Presdt, Dist Board, Kadur, No 140 d 1.10.10: Requests that govt may be pleased to waive the demand for interest on the deficit balance against the Dist Board of Kadur.

2. From the Presdt, Dist Board, Kolar, No 477 d 12.11.10: Requests the interest on the deficit balances of Dist funds for Nov[r] and Dec[r] 09 may be remitted as a special case for reasons given.

3. To the Presdts, Dist Boards & Collr, No. 7387-95 d 7.3.11: Directs that pending final orders G.O. No. 7L 1000-9/Mbl. 164-07-1 d 21.8.07 be held in abeyance.

G.P.P.—5,000—22-10-10

4. G.O. No. 10160-70 d 29.6.11: Prescribes the procedure to be adopted to avoid deficit balances under District funds and requests the Presdts to report whether the minimum balance required to be raised.

G.R.S.11] 1910-11

GENERAL AND REVENUE SECRETARIAT

(Local Boards)

NOTES.

File No. 130/10

FILE HEADING.

Interest on deficit balance against the District Board of Kadur

From

The President, District Board, Kadur

No. 140 Dated 1st Oct 1910 Received 8-10-10

Diary No. 2342	Enclos.	Spare Copies	Serial No. 1

BRIEF ABSTRACT OF LETTER.

Request that Government may be pleased to waive the demand for interest on the deficit balance against the District Board of Kadur made by the Comptroller in accordance with G.O.No. Fl 1000-9/Ml 164-07-1 dated 27-8-1907 for reasons stated. Boxwise.

NOTES AND ORDERS.

The major part of District Fund Revenue is realized from local cess which is collected along with land revenue in the months of January and 3 subsequent months in the Kadur District

NOTES—First sheet

GPB—30,000—3-4-07.

G. R. S. 12]
General and Revenue Secretariat.

KB File No. 130 of 1910–11.

Serial No.

2. The case of Kadur District has been peculiar, Nearly 50% of District Fund revenue has to be allotted for the maintenance of roads, the cost of which is a recurring charge and an equally large percentage of income has to be set apart on account of civil charges Viz. Conservancy, medical relief, Providing accommodation for travellers etc. In Spite of all efforts at economy it has not been possible to keep the expenditure below the income and this fact has been brought to the notice of Government more than once. The District Board have on more than one occasion applied for some relief. Government have been for the past 2 years granting a grant in-a of Rs 2500 per annum for the maintenance of the Bababudan Hill road and this Concession has been extended to another 2 years. The District Board have been trying to husband their resources by establishing a toll gate at Kommenahalli. Notwithstanding these measures the financial condition is not Sound. Thus it seems inevitable that there should be deficit balance against the District Board in the latter part of the Calender year

NOTE—Contn. sheet.

GPB—50,000—12-8-10

Serial No.

preceding three months, even though the Boards should have the prescribed minimum working balance at the beginning of the official year - It therefore the order of the 27th August 1907 is to be taken as meaning that interest should be paid on all overdrawals lasting more than a month, it is likely to be hard on the District Boards - Please put up the file relating to that order - (27.8.07).

2-11-10. Kle

6) Kle file 164 of 1907 relating to the order of 27th Aug 1910 and L3 file 9-X-06 therein referred to are put up. Subs for orders

Y
O

KP.09
4.11.10

7) In continuation of the note above, it is submitted that the case of Municipal Boards differs from that of ~~Local~~ District Boards and that in the case of District ~~Local~~ Boards, ~~the relaxation~~ of the period of one month prescribed in para 3 of the G.O dated 27th Aug 1907 may

NOTE—Contn. sheet.

GPB—50,000—12-8-10

G. R. S. 12]
General and Revenu
Secretariat.

File No. 130 of 1900-12

Serial No.	
10	X

No. 189
5-12-10

Vide note attached by a/c Local Funds which contains my views on the subject. The argument that because interest is not allowed on balances, interest should not be charged on overdrawals is untenable as opposed to principles of banking. But until we place the Presidents in a position to know exactly at any time how the balance stands it is not quite right to charge interest on small overdrafts which they might have avoided if they had known the exact state of the balances.

5/12/10

Vide pages 14 & 21 of the Index.

NOTE—Contn. sheet.

GPB—55,000—27-4-09

315

LOS File No. 130 of 1910

Serial No.	
2	11/10 From the President of the Dt Board of Kolar No. 477 Dt 12. Nov. 10 (D 3159). Requests that the interest of Rs 29-9-2 on the debit balances of Dt Funds for Nov & Dec of may be remitted as a special case in view of the severe seasonal conditions of the year 1908-9 (Kealaka) & consequent deficit collection of revenue & cess. (2) A Communication received in the matter from the Hon'ble Dt has been referred unofficially to the Comptroller for favour of opinion. (D No. 2742 - on 12. 11. 1910). His reply may be awaited Submitted DS 21/11/10 (3) yes - case may be linked to the other file 21-11-10

NOTE—Contn. sheet.

GPB—50,000—12-8-10

Serial No.

represent the Correct balance at the credit of the District Board to enable the Presidents to avoid overdrafts and directs that pending final orders G.O. No. Jl 1000 - 9/Rul 164-07-1 dated 27th Aug 1907 be held in abeyance

2) The Comptroller suggests that Rule 76 of the L.B. Rules should be strictly adhered to in all cases except charges under A Public works & payments made through Madras Bank. Central Co etc. It is respectfully submitted that in almost all cases except those mentioned payments are made only by means of Cheques.

Para 6 of the L.C's note.

Further the Comptroller states that besides enforcing rules 76 & 111 of the L.B. Rules the Presidents should regulate the optional expenditure. The ~~or~~ items of optional expenditure which the Presidents can regulate are 'Charges under B. Public and some heads under of Miscellaneous charges' The ~~C~~ major part of the expenditure under B. Public works is generally incurred in the months of June and if this expenditure is to be evenly distributed over the 12 months it is

NOTE—Contn. sheet.

GPB—50,00 - 12-8-10

G. R. S. 12]
General and Revenue Secretariat.

L5 File No. 130 of 1910 – 11

Serial No.

feared that the period of debit balances may increase in duration.

As regards Rule 111 the Comptroller suggests that the Executive Engineer should send to the Treasury a copy of the monthly statement of the P. W. Expenditure debitable to the District Fund & that the Treasury officer should enter the P.W. Expenditure in the Resident's cash book and reduce the D.F balance.

Para 7 & 8 of L. R. C's note

The procedure ~~for~~ in regard to the accounts relating to expenditure by P.W. Department is laid down in para 110 of the L.B. Rules. ~~The Comptroller's suggestion probably involves a change in rule 110.~~

Para 4 of L. R. C's note

2) The Comptroller in para 4 of the note suggests that the actual proportion of the receipts which should be prescribed may vary on a consideration of the monthly transactions of each District Board. It is point for consideration whether this direction will not ~~infringe~~ interefere with the uniformity of maintaining the minimum of 1/8 of the receipts in all Districts. May the Comptroller be requested to indicate what modifications in the L.B. Rules are necessary?

K P (Gr) Secy
27.3.11

NOTE— Contn. sheet.

GPB—50,000—12-8-10

Serial No.

may however be heard
Draft submitted.
Secy) 3-4-11 [illegible]

Corrected & [illegible]
[illegible] 27/4/11

24) The draft rdn may be approved -
(Sec & Dewan) CSB 26/4/11

[illegible] 5.5

This was personally submitted to the Secy
RP 26/4/11

25) may be approved. [as remarked by the Asstt Secretary it is doubtful if the proposed arrangt. will result in preventing debit balances]
KBK 30/4/11
KBK [illegible] 1.5.11

1143 9 / 3.5.11

26) (A) The real question is as stated by Mr Mylanathan at part marked A in his notes. This point to be raised with the draft when we will discuss the purpose
KBK 23 May 11

27) IV Why not add a para to the draft asking Presidents of Bds to report what min. balances would be necessary
KBK 27/5/11
[illegible] 27-5

NOTE—Contn. sheet.

GPB—55,000—27-4-[illegible]

3/87

G. R. S. 12]
General and Revenue Secretariat.

B File No. 130 of 1910 – 11

Serial No.	
28	Draft with an addition is submitted for approval & other orders. KP(Q2)ing Secy) 31.5.11 Mlle 29.5.11.
29	The draft as added to marked approved. (Sd/- Dewan) chy 31/5/11
	Mlle 31-5-11
30	I quite agree with the Dewan. KPN 1/6/11
11978 6.6.11	Mlle 2.6.11
31	Draft approved by the Dewan 25.6.11
32	Issue chy 26/6/11 Mlle 26-6-11
33	Presto q. St. Bo., Compte, Compte Pro Lek Engineer Boo 0760-70 29 June 1 Prescribes certain procedure to furnish the Presidents with information re the exact balance at their credit & thereby enable them to avoid deficit balances

NOTE—Contn. sheet.

GPB—50,000—12-8-10

3. Under Rule 131 Clause (c) of the Local Board Regulations, the District Board shall never, without the previous sanction of Government, exhaust its balance in the Treasury; and the Budget Estimates shall be so framed as to provide for an adequate working balance not falling short in any case of $\frac{1}{8}$ of the total estimated income for the year.

The Government Order of 27th August 1907 was drafted in accordance with the terms of Mr. Majumdar's notes dated 12th and 18th June 1907. From a reference to those notes, it is clear, that with a view to discourage minus balances, interest should be levied on such balances standing for over one month but that individual cases of hardship may be dealt with on their merits.

In claiming exemption ~~for~~ from payment of interest on the ground that Government should also rightly pay interest on the credit balances of the Fund, the President ignores the fact that the Boards' balances are held at call in the Government Treasuries, that no charge is made by Government for undertaking to guard its funds or to make payment in its behalf and that even 1st class private banks do not pay interest on such balances. In advancing funds to the Board during a season of temporary deficit balances, the Government is really showing a concession to the District Board and if the concession is extended to all cases of minus balances the object with which the order is issued will be frustrated.

The President has not advanced any special circumstances justifying the claim for such a concession. The minus balances were in the months of November and December 1909 and are not shown to have been due to unforeseen failure of collections in the latter months of the previous official year 1908-09.

4. One of the essential points in framing the Budget Estimates of the Board is to secure the required working balance at the commencement of the year, after taking into account the probable minimum balance the Board may have before the revenue season commences. The minimum fixed is ⅛ of the receipts but the actual proportion may vary on a consideration of the monthly transactions of each District Board.

From a reference to the District Board monthly accounts of last year, it is seen that minus balances occurred in Tumkur and Hassan Districts in all the months of the year from September 1909 to January 1910, in Kolar from October 1909 to January 1910, in Kadur in November and December 1909 and in Bangalore in December 1909 and January 1910.

As the revenue season begins in January or February, deficits are likely to happen ordinarily in the months of November to January, and if it is shown that with the required opening balance on the 1st July the deficits could not be avoided owing to unforeseen causes, Government may consider the claim for the remission

of interest as reasonable. If, however, the finances of a Board are in such a state as to need Government subvention, the case is one for special consideration and not for being dealt with as an exception to the general rule.

5. In reply to the communication issued by this office pointing out the debit balances in the Funds of the District Boards of Bangalore, Kolar, Tumkur Kadur and Hassan and enquiring whether the necessary adjustment on account of interest due to Government as per Government Order of 27th August 1907 may be made, the Presidents of Bangalore, Tumkur and Hassan have agreed to the charge, while the Presidents of Kolar and Kadur have preferred a claim for remission.

6. There are, however, one or two real difficulties which somewhat handicap the Presidents in avoiding minus balances. Para 76 of Local Board Rules prescribes that all sums required for expenditure shall be drawn only <u>by means of cheques</u> signed by the President - and under rules 111 a Pass Book to show correctly the balance in the Treasury has to be maintained. If these rules are strictly observed the President, can, by correctly estimating the required opening balance and regulating optional expenditure ordinarily keep a sufficient balance in his favour in the Treasury in the months of November and December. In practice,

however, it is found that the balance shown in the Treasury Pass Book is not generally the correct balance. In the case of stationery articles supplied to District Boards, Government have ordered payment of money not by issue of cheques but by book transfer, and expenditure under A. Public Works carried out by Public Works Department, (Vide rule 110 of Local Board Rules) is finally adjusted through the Comptroller's Books. In this way various adjustments between District Funds and Provincial Revenues and Local Funds General have come to to be made in the Comptroller's Office though of course, not without communication with the President; and the monthly balances worked out in this office after the months' accounts are audited are intimated to the Presidents only 3 or 4 months after the period to which they relate. It is for this reason that the President's balances as shown in the Treasury Pass Book or his monthly account will not generally be correct and it is possible that he may not be aware of the fact of an overdrawal in a particular month till 3 or 4 months afterwards and that no opportunity available for him to avoid the Minus balance of a particular month in the next month.

Unless, therefore, the system of making adjustments through the Comptroller is abolished and all transactions affecting the District Board are invariably made through the Treasury, it

it does not seem possible to have the Treasury Pass Book balance fairly accurate.

Mr.Majumdar had apparently this in mind when he suggested the period of one month ... before the expiry of which the Board should make up for the deficiency in its balances. In this view of the case, it is not the extension of the transfer from one month to 3 months as suggested in the above notes that seems necessary but the enforcement of the .. procedure laid down in rule 76 of the Local Board Rules. If all transactions affecting the District Board are made through the Treasury and are entered in the Pass Book, the strict enforcement of the provision contained in the Government Order of 27th August 1907 is perfectly reasonable.

7. Payment by means of cheques can be enforced in all cases except in respect of Public Works charges debitable to District Fund and in the rare cases where claims are sometimes paid as desired by the President through the Madras Bank or Coutts & Co. In the latter cases the Treasury Officer should reduce the District Fund balances in the Pass Book immediately on receipt of intimation.

Under rule 110 of the Local Board Rules, the whole District Fund budget grant on account of Public Works, i.e., works carried out by the Public Works Department, is to be transferred to the latter Department and the required funds are drawn by the Executive Engineer from the Treasury on letters of credit in the same way as for Public Works charges.

to General Revenue. The Public Works e
penditure debitable to District Fund is l
ever intimated to the Presidents monthly
the Executive Engineer, but the monthly a
count is submitted to the Comptroller in the
Public Works branch which forwards to the
Local Fund branch the audited account for
corporation in the District Fund accounts.

(In this connection- It is a point for separate discussion whether the District Fu should not be required to pay in advance by means of cheques. the amount required for Public Works expenditure as a credit to the Public Works Department before it actually incurs the expenditure; but so long as the present practice continues the system of payment by cheques cannot be adopted in this ... case.)

8. An order may, I think, be passed drawing attention to Rule 76 of the Local Board rules and ordering strict adherence to it in all.. cases, except charges under A Public Works and payments made through Madras Bank, Coutts & Co &c. In respect of Public Works charges the Executive Engineer should send to the Treasury a copy of the monthly statement of Public Works expenditure debitable to District Fund, which he is now sending to the President, on or before the 20th of the following month, and the Treasury Officer should on receipt of this information enter the total Public Works expenditure in the President's Pass Book and reduce the District Fund balance, Similarly of the month concerned. in the rare cases in which District Fund payments are made through Madras Bank or Coutts

Coutts & Co., this office will intimate them to the President for incorporation in his accounts and to the Treasury officer for being ~~noted~~ entered in the President's Pass Book, and for reducing the balance. Such transactions not passing through the Treasury accounts may be noted in red ink in the Pass book, which will thus accurately show the District Fund balances.

9. Now that the scheme of local audit has been sanctioned, it seems very necessary that the President's accounts should be complete as far as possible. Until this is done the Government Order levying interest on minus balances may, if considered necessary, be kept in abeyance.

and an order as above sketched is issued to enable the President to know exactly at any time how the balance stands

+accurate

18
2.12.10.

190

From The President of the District Board, Kadur District

To The Secretary to the Government of Mysore General and Revenue Departm Bangalore

Dated 18th October 1910

Despatched 3 Nd.

Received

General No. 140

No.

Enclosure No. 1

Submitting for orders of Governme a copy of the docket No. L.H. 273 C dated 28-9-1910, received from the Comptroller in Mysore demanding interest at 4% on the deficit balance of the Board

E 272

Office of the President of the Local Boards
KADUR DISTRICT

Dated Chikmagalur 1st October 1910.

From

L.B.V.H. No
8(11)

R. Srinivasaiengar Esquire
President of the District Board,
Kadur District.

To

C. S. Balasundaram Iyer Esquire, B.A.
Offg. Secretary to the Government of Mysore
General and Revenue Departments,
Bangalore.

Sir,

I have the honor to submit herewith for orders of Government, a copy of the docket No L.H. 273/C dated 28th September 1910 received from the Comptroller in Mysore demanding interest at 4% on the deficit balance of the Board for the month of December 1909 as noted in the copy of the docket quoted above.

I may state here that the Government order referred to by the Comptroller appears to be that deficit balances should be discouraged as far as possible. I beg to be favoured

favoured with orders as to whether the order is to be strictly enforced in all cases and the recovery of interest from District Funds is intended to be insisted on, even in cases where from any un-foreseen and unavoidable cases, the funds of the Board run down to a debit Balance. If the Government were to demand payment of interest from District Board in such cases, I beg to submit that the District Board can, with equal reason and justice, claim payment of interest from Government for the large amount of its — funds remaining to its credit in the Government Treasuries.

3. In these circumstances, I beg that the Government may be pleased to waive the demand for interest made by the Comptroller in the enclosed letter.

I have the honor to be,

Sir,

Your most obedient servant,

S- [illegible]

/President of the District Board,

Madura District

AGP

IV Rr. 1/15 Gulbarga
14/11

190

From

The PRESIDENT, DIST. & MUNICIPAL BOARDS,
KOLAR DISTRICT.

To *The Secretary to the Government of*
His Highness the Maharaja of Mysore,
General & Revenue Departments,
Bangalore.

Dated 12 NOV 1910

Despatched

Received

General No. 477
No.

Enclosure No. One

Requesting that the interest charged on the debit Balance of the District Funds for November and December 1909 may be remitted

5

D. 3187

Office of the President of the
District & Municipal Board
KOLAR DISTRICT.

12 NOV 1910

Lr 130-10

From

R (2)

C. Srikanteswara Iyer Esq BA BL

PRESIDENT, DIST. & MUNICIPAL BOARDS,
KOLAR DISTRICT.

To

C. S. Balasundaram Iyer Esq BA

Offg Secretary to the Government of
His Highness the Maharaja of Mysore,
General & Revenue Departments,
Bangalore.

Sir,

I have the honor to submit herewith a copy of docket No. L. R. 273/C dated the 26th September last from the Comptroller Mysore Government requesting the adjustment of interest amounting to Rs 27-9-2 on the debit balance of Destitute Funds as per Government order No. R. 1006/ME 164-07-1 of the 27th August 1907 and to state that owing to exceptional adverse seasonal conditions of the year

w - 1505 130 - 10 / 27

190

From
J. S. Chakravarti, Esqr. M. A., F. R. A. S., etc.,
Comptroller to the Govt: of
To H. H. the Maharaja of Jmpore.

The President,
District Board,
Kolar

Dated
Despatched 26/28 & February 1910.
Received

General No.
L. 7. No. 273
C
Enclosure No.

Has the honor to annex in the margin a Statement showing the deficit balances lasting for more than a month against the District Boards. As according to G. O. No. 76: 1000-9/mb: 164-07-1 dated 7 & August 1907 interest at 4% per annum has to be charged on overdrawals of amounts from the Treasury he is requested to state whether cheques for the amounts of interest due as stated in the margin will be issued in favour of the Treasury Officer for credit to General Revenues and debit to District Funds or whether the same may

Treasury balance against District Boards.

		Interest at 4% per annum.	Total Interest.
November 1909 -	3883-2-1	12-15-1 for December 9.	27-9-2
December 1909 -	4389-12-5	14-10-1 for January 10.	

GPB—7b reams—25 5 10

8

may be adjusted in the accounts of this office ~~in~~ the June 1910 final. A reply to this communication may be kindly made before the end of this month.

(Sd) M. A. Srinivasacha
Asstt Comptroller

"
Copy"

Sulumtak

for PRESIDENT, DIST. & MUNICIPAL BOARDS,
KOLAR DISTRICT.

G.R.S. 28.]

File No. 130/10

Serial No. 3

Diary No. of letter replied to 2342+3187

Proceedings of the Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE SECRETARIAT.

(dd)

, *the* 19

Date of issue 7-3-11

Signed by

READ—

Letter no: 140 dated 1st October 1910 from the President, District Board, Kadur, requesting that Government may be pleased to waive the demand for interest on the deficit balance against the District Board of Kadur

ORDER THEREON.—No.

for November 1909, Claimed by the Comptroller in accordance with G.O. No 72 1000-9/Mel 164-07-1 dated 27th August 1907 ~~for reasons given~~

2) Letter no: 477 dated 12th Nov 1910 from the President, District Board, Kolar, requesting that the interest

over

SUBJECT.

GPB—10,000—9-12-09

10

Rs 27-9-2 on the debit balance of the District Board for Nov and Dec 1909 may be remitted as a special case in view of the adverse seasonal conditions of the year 1908-09 and the consequent deficit collection of revenue.

Order thereon 7387-95 dtd. 13.10.10. D 7-3-11

Government understand ~~led to believe~~ that in practice it is found that the balance shown in the Treasury Pass book maintained in accordance with para 111 of the Rule under the L.B. Regulation does not generally represent the correct balance at the credit of the District Board and as such the Presidents are not in a position to know exactly at any time how the balance stands to enable them to avoid overdraft. In these circumstances Government therefore direct that pending the issue of separate orders on the subject GO dtd 27 Aug 1907 be held in abeyance

For Secretary

To the Presidents of District Boards
Comptroller

G.R.S. 28]

17 — 3187

27/6/(4-30

Diary No. of letter replied to

GENERAL AND REVENUE SECRETARIAT.

( )

Rag x

the 19

Date of issue 29.6.11

Signed by CW KMR

8 c 3

Proceedings of the Government of His Highness the Maharaja of Mysore.

File No. 130/10

Serial No. 4

READ— G.P.N° 7E 1000-9/Jud 16407-1

dated 27th August 1907 directing

the levy of interest at 4 per cent

per annum on ~~the~~ deficit

balances against the District

~~ORDER THEREON.—No.~~

and municipal Boards lasting

for more than a month

2) G.P.N° 7387-95/KB 130-10-3

dated 7th March 1911 directing

that the above order be held

over.

SUBJECT

GPB—10,000-29-9-10

in abeyance pending the
issue of separate orders on the Subject

Order thereon 10760-70 L/B130-10- 29.6.11

On further consideration
of the matter with a view to furnish
~~place~~ the Presidents of District
Boards ~~in a position to know~~ with information as to
~~exactly at any time~~ how the
balances to their credit stands at any time, and thereby
enable them to
~~and~~ avoid undue balances
by deferring optional expenditure, Govt
are pleased to prescribe the
following procedure:—

Rule 76 of the Rules issued
under the L.B. Regulation II of 1902
requiring that all D.F payments
shall be made by means of cheques
should be strictly adhered to
in all cases except in reference
to Charges under A Public works and
payments made through the Madras
Bank Courts & co ~~&c~~. or other recognized agencies

In the case of Charges under A Public work

etc should be remitted
& the Electricity supplied

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation Sheet draft form.*)

the Executive Engineer
should send to the Treasury
a copy of the monthly
Statement of Public works
expenditure debitable to
the District Funds which
he is now sending to the
President, on or before the
20th of the month following
that to which the Expenditure
relates and the Treasury
officer should ~~no~~ on receipt
of this information enter
the Public works expenditure
in the President's pass book
and reduce the District
Fund balance of the
month Concerned.
Similarly in the rare cases
in which District Fund
payments are made through
the Madras Bank, ~~or Cont~~ or
the Comptroller should intimate
the payments to the President

other agencies

GPB—10,000—22-2-11

14.

for incorporation in his accounts and to the Treasury Office for being entered in the Presidents Pass book and for reducing the balance. Such transactions as do not pass through the Treasury Accounts may be noted in red ink in the Pass book which will thus accurately show the District Fund balances.

2. This R.S.N was ~~approved~~ ~~read above~~ with ~~an~~ ~~agreement~~ ~~come into operation~~ After arrangements are made to carry out the above instructions, ~~procedure~~, be charged on ~~the~~ monies balances in accordance with the G.O dated 27th Aug 1907 read above.

the Gr. of 7 March 11 read above will cease to have effect & the interest will be ~~charged~~ on monies balances in accordance with the Gr. of 7 Aug 07.

KPM
30/4/11

Secretary

To ~~the President~~ ~~Bd~~ ~~Bds~~

Comptroller

~~Comptroller~~ P. W. & Ry branch

~~Chief Engineer~~

Proceedings of the Government of His Highness the Maharaja of Mysore, Local Fund and Sanitary (Local Boards), dated 29th June 1911.

READ—

Government Proceedings No. Fl. 1000-9—Ml. 164-07-1, dated the 27th August 1907, directing the levy of interest at 4 per cent per annum on deficit balances against the District and Municipal Boards lasting for more than a month.

2. Government Proceedings No. 7387-95—L. B. 130-10-3, dated the 7th March 1911, directing that the above order be held in abeyance pending the issue of separate orders on the subject.

No. 10760-70—L. B. 130-10-4, DATED BANGALORE, 29TH JUNE 1911.

ORDER THEREON.—With a view to furnish the Presidents of District Boards with information as to how the balance to their credit stands at any time, and thereby enable them to avoid deficit balances by deferring optional expenditure, Government are pleased to prescribe the following procedure :—

Rule 76 of the Rules issued under the Local Boards Regulation, II of 1902, requiring that all District Fund payments shall be made by means of cheques should be strictly adhered to in all cases except in reference to charges under A. Public Works and payments made through the Madras Bank, Coutts & Co., or other recognized agencies.

In the case of charges under A. Public Works, the Executive Engineer should send to the Treasury a copy of the monthly statement of Public Works expenditure debitable to the District Funds which he is now sending to the President, on or before the 20th of the month following that to which the expenditure relates and the Treasury Officer should on receipt of this information enter the Public Works expenditure in the President's Pass Book and reduce the District Fund balance of the month concerned.

Similarly in the rare cases in which District Fund payments are made through the Madras Bank, Coutts & Co., or other agencies, the Comptroller should intimate the payments to the President for incorporation in his accounts and to the Treasury Officer for being entered in the President's Pass Book and for reducing the balance. Such transactions as do not pass through the Treasury Accounts may be noted in red ink in the Pass Book, which will thus accurately show the District Fund balances.

2. After arrangements are made to carry out the above instructions, the Government Order of 7th March 1911 read above will cease to have effect and interest will be charged on minus balances in accordance with the Government Order of ~~6th~~ August 1907.

3. It is observed that debit balances generally occur in the months immediately preceding the one in which the local cess on land revenue is collected and credited to the District Funds. To avoid such balances and to have at the disposal of each District Board sufficient funds to meet all expenses of a normal nature till the local cess on land revenue is credited to the District Funds, it may be necessary to maintain a higher minimum working balance than the one at present fixed, *viz.*, one-eighth of the estimated receipts for the year. The Presidents of District Boards are therefore requested to be so good as to report whether the minimum balance requires to be raised and if so what proportion of the estimated receipts for the year, it should be fixed at.

C. S. BALASUNDARAM IYER,
Offg. Secy. to Govt., Gen. & Rev. Depts.

To—The Presidents of District Boards.
The Comptroller, Mysore Government.
The Comptroller, Public Works and Railway Branch.
The Chief Engineer of Mysore.

Exd.—C. V.

1910-11

GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

LOCAL FUND AND SANITARY
(LOCAL BOARDS)

PROCEEDINGS

Dated 29th June 1911

No. 10760-70
L. B. 130-10-4

Prescribes the procedure to be adopted to avoid deficit balances under District Funds during some months of the year

GPB—11-7-11—300